

PERSONNEL AND HIRING COMMITTEE REPORT relative to to proposed Amendment No. 1 to the 2017-2028 Memorandum of Understanding for the Port Pilots Representation Unit (MOU 26).

Recommendation for Council action:

APPROVE Amendment No. 1 to the 2017-2028 MOU for MOU 26 between the City of Los Angeles and the Los Angeles Port Pilots Association, ILWU, Local 68, as detailed in the October 15, 2025 City Administrative Officer report, attached to the Council File.

Fiscal Impact Statement: The CAO reports that the proposed amendment has no impact on the General Fund. The Harbor Department will pay all costs associated with the recommendations in the October 15, 2025 CAO report, attached to the Council File.

Community Impact Statement: None submitted.

Summary:

On October 24, 2025, your Committee considered an October 15, 2025 CAO report relative to proposed Amendment No. 1 to the 2017-2028 Memorandum of Understanding for MOU 26. According to the CAO, the current MOU 26 was adopted by the City Council on August 8, 2017. The MOU was amended on November 10, 2020, and December 4, 2024, and will expire on December 23, 2028. The current MOU includes a Letter of Agreement (LOA) for a Salary Reopener, allowing the parties to discuss any unresolved issues related to timekeeping and compensation, specifically in this case overtime calculations. A Port Pilot's (Pilot or Pilots) regular schedule is composed of seven, 12-hour regular work shifts in a biweekly pay period, totaling 84 hours.

In MOU 26, the Association and the City agreed to the declaration of an exemption from the Fair Labor Standards Act (FLSA), thereby treating the Pilots as salaried employees under the "seaman" exemption pursuant to 29 United States Code (USC.) Section 213(b)(6). Under this FLSA exemption, Pilots are not entitled to FLSA overtime compensation for having worked more than 80 hours in a biweekly pay period; however, Pilots are entitled to negotiated MOU overtime, i.e., compensation at the rate of time and one-half for all hours compensated in excess of 84 hours in a biweekly pay period. Pursuant to MOU 26, a Pilot who is granted an excusable absence, e.g., a vacation or sick day, from one of the seven regular work shifts in a pay period shall record only eight hours of time for the absence. In such a scenario, a Pilot who takes one eight-hour vacation day and works six 12-hour regular shifts records 80 hours of compensated time (as opposed to 84 hours for having worked seven 12-hour shifts).

The City's former payroll system mistakenly compensated a Pilot at the straight time rate for working between the 80th and 84th hours when a Pilot took one eight-hour day off in a pay period and worked more than 12 hours on one of the remaining six 12-hour work shifts. The payment for the 80th through 84th hours was discovered during the transition

from the former payroll system to Workday. As a result of computation error, the Pilot's Association filed a grievance alleging that compensation should be paid to a Pilot who worked during the 80th through 84th hours in a pay period.

The Association contended that Pilots were entitled to overtime compensation at the straight-time rate for any hours worked outside of their regular work shift, including those occurring during the 80th through 84th hours in a pay period. According to the Pilot's Association, not compensating a Pilot for the 80th through 84th hours was akin to working for free. Management contended that such a viewpoint contradicted the plain language of the MOU and identified a targeted wage adjustment negotiated in the 2006-2011 MOU 26 (Council File 06-2883) that increased a Pilot's base wage by 7.5% to compensate for the fact that a Pilot works 84 hours but is technically paid for 80, i.e., the missing compensation for which the Association claimed a Pilot was working for free.

In May 2025, the Executive Employee Relations Committee issued bargaining instructions to amend MOU 26 in resolution of the Association's grievance. Through numerous discussions with the Association, an agreement has been reached to clarify the administration of overtime, accomplished by eliminating the ability to record an eight-hour absence in a pay period when a Pilot works the remaining six regular work shifts days. The Association and the City agree that this amendment resolves the dispute raised in the Association's grievance and this Office recommends that the City Council approves the MOU amendment. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendation contained in the CAO report and detailed in the above recommendation. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Personnel and Hiring Committee

COUNCILMEMBER:	VOTE:
McOSKER:	YES
RODRIGUEZ:	YES
SOTO-MARTINEZ:	ABSENT

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10/24/25

-NOT OFFICIAL UNTIL COUNCIL ACTS-